



THE MCCLATCHY COMPANY
Since 1857

Postal Regulatory Commission
Submitted 5/23/2012 3:43:31 PM
Filing ID: 82678
Accepted 5/23/2012

Patrick J. Talamantes
President & CEO

May 23, 2012

U.S. Postal Regulatory Commission
901 New York Ave. NW, Suite 200
Washington, DC 20268-0001

Subject: McClatchy Company Opposition to Proposed Valassis NSA
Docket No. MC2012-14

Dear Commissioners,

I wanted to formally register The McClatchy Company's opposition to the proposed negotiated service agreement between the United States Postal Service and Valassis Direct Mail and alert you to the irreparable harm the agreement would have on McClatchy, the USPS and the communities we collectively serve.

McClatchy is the third-largest newspaper publisher in the United States with daily newspapers in 29 markets from Anchorage, Alaska, to Miami, Florida. Last year, McClatchy spent approximately \$35.4 million with the USPS to deliver our direct mail products. The proposed discounted rate to Valassis, one of our largest direct mail competitors, is not only unfair, it would completely upend the competitive landscape in our markets in favor of Valassis and deal a serious financial blow to McClatchy's operations. We would be forced to take our mail business elsewhere in the mere hope of remaining somewhat competitive.

This proposal would drain vital local advertising dollars away from our newspapers at a time when McClatchy, like the USPS itself, is facing a number of revenue challenges brought about by technology and the challenging economy. These local advertising dollars provide important benefits to our communities beyond the products and services we can offer in the mail. They help underwrite our news operations that serve our communities with quality news and information, improving the quality of life and furthering our democracy.

Like the USPS, McClatchy is in the process of transforming our business for the demands and opportunities of the digital age. It's hard work, but we've embraced the change and fear no competitor. But as a loyal customer of the USPS for more than 50 years, we must protest the game-changing negotiated service agreement with Valassis, a proposal that would irreparably harm our newspapers and our communities.

Sincerely,

Patrick J. Talamantes